

Telework 2011

A WorldatWork Special Report

Based on Data Collected by The Dieringer Research Group Inc.
and WorldatWork



Acknowledgements

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Introduction

Technology companies have been predicting that telework — performing work from home or another remote location — soon will become the most common mode of work for American workers. (Lister 2010; Scheid 2009) And while some assert that technology alone will make this possible (Diana, A. 2010), barriers remain for both employers and employees that have more to do with psychology than technology.

When employee data was collected in December 2010, the average American worker was more concerned with job security than with taking advantage of opportunities to telework. At the same time, employer views about telework have been changing, as evidenced by its expanded use on an ad hoc or occasional basis. (WorldatWork 2009)

In addition to technological changes that have further supported telework as a practical matter, employers are increasingly recognizing the bottom-line benefits

of telework, such as supporting business continuity strategy, reducing real estate costs, and attracting talent from wider labor pools. (Corporate Voices for Working Families [CVWF] 2009) Additionally, telework has value as it relates to employee engagement, satisfaction and retention as either an overall differentiator from a competitive standpoint or because employees view it as a privilege that is earned through good performance. (CVWF 2009)

This special report provides a view of telework from both the employee and the employer perspectives, and creates a useful picture of how telework is playing out in the United States today.

Findings in this report are based on employee data collected by The Dieringer Research Group Inc. (commissioned by WorldatWork) and employer data collected by WorldatWork from its membership of human resources and total rewards professionals.

DEFINITIONS

■ Telework

To work from home or another remote location, either for an employer or through self-employment.

■ Employee teleworker

A regular employee (full or part time) who works remotely at least one day per month during normal business hours.

■ Contract teleworker

An individual who works on a contract basis for an employer or is self-employed and who works remotely at least one day per month during normal business hours.

■ All teleworkers

Employees or contractors working remotely at least one day per month during normal business hours; the sum of “employee teleworkers” and “contract teleworkers.” For purposes of this report, “all teleworkers” also includes titles such as telecommuters, mobile workers, nomad workers, web commuters, e-workers, agile workers and anyone who usually works in an office setting but works remotely at least one day per month during normal business hours.

Findings

Finding 1: Fewer Employed Americans Teleworked Regularly in 2010 Than in 2008

For the first time since WorldatWork began studying the telework phenomenon in 2003, the number of teleworkers has dropped. The total number of people who worked from home or remotely for an entire day at least once a month in 2010 was 26.2 million, down from 33.7 million in 2008. (See “Employee Teleworkers vs. Contract Teleworkers.”) This figure, 26 million, represents nearly 20% of the U.S. working adult population of 139 million (as of fourth quarter 2010). (BLS 2011) At first glance, the data might lead most to conclude that teleworking stalled in 2010. However, the decline likely is due a combination of factors: fewer Americans in the workforce overall due to high unemployment, higher anxiety surrounding job security, and lack of awareness of telework options.

Higher Unemployment

The number of teleworkers declined as the overall working population shrank. In fourth quarter 2010, nearly 15 million Americans were jobless and the number of long-term unemployed (those jobless for 27 weeks or more) accounted for 44.3% of the unemployed. (BLS 2011)

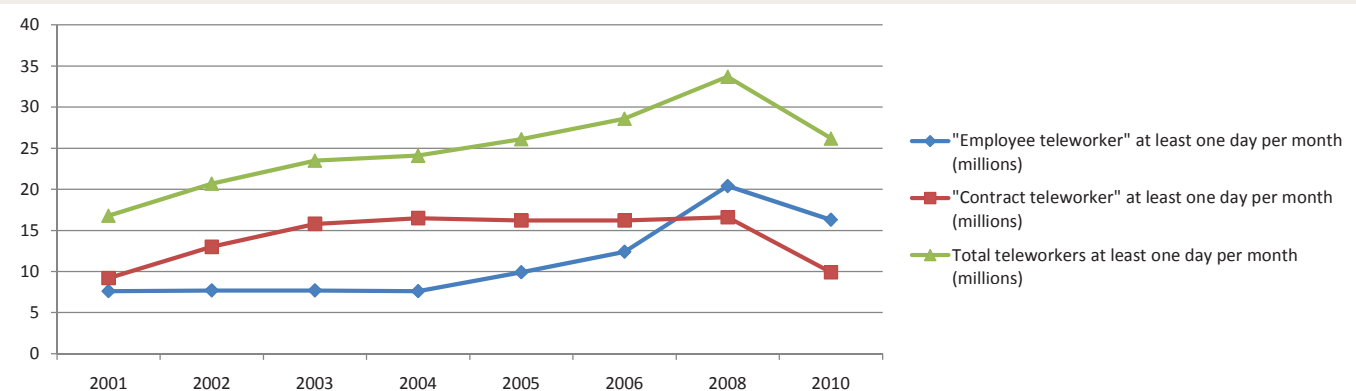
EMPLOYEE TELEWORKERS VS. CONTRACT TELEWORKERS

Fewer employee teleworkers: This group decreased slightly from about 17 million in 2008 to 16 million in 2010, according to the employee survey. (See Figure 1.) Interestingly, this group has seen the biggest net gain (74%) since 2005, yet experienced a small decline in 2010, suggesting that, all things being equal, this group likely will continue to grow.

Fewer contract teleworkers: This group experienced slow growth earlier in the decade, followed by a huge decline in 2010. There was a very slight gain from 16.2 million in 2006 to 16.6 million in 2008, before sliding to just under 10 million Americans in 2010.

From a purely mathematical perspective, a slight majority (54%) of the decline in total number of teleworkers shown in Figure 1 comes from lower total employment in the United States; the other 46% comes from the reduction in the percentage of workers defined as employee teleworkers.

FIGURE 1: Teleworker Trendline



Employee Anxiety Surrounding Job Security

In an economic environment of relatively high unemployment, it is not surprising to see a reduction in teleworking. Some employees are concerned that employers will perceive teleworkers negatively compared to peers who are in the office every day. Further, the high number of long-term unemployed creates a situation in which employers often are in a better negotiating position such that, to the extent one views telework as an accommodation for an employee or contractor, some reduction in telework is to be expected.¹ Regardless of whether employers had the upper hand in 2010, the employer survey conducted by WorldatWork in late 2010 found that nearly 80% of organizations did not make any changes to their flexibility offerings as a result of the 2009 recession. (WorldatWork 2011)

Lack of Awareness of Telework Options

Finally, employees may simply be unaware of the existence of telework options because many such programs are implemented informally. The employer survey found that flexibility programs such as telework are informally implemented by 6 out of 10 employers. (WorldatWork 2011) An informal approach is defined as having no written policies or forms, where implementation is inconsistent and left to manager discretion. In addition, WorldatWork found that while 83% of employer respondents² offered ad hoc³ teleworking, only 28% communicated the benefit to recruits.

Finding 2: The Frequency of Telework, by Those Who Telework Regularly, Is on the Rise

In 2010, even as the total number of teleworkers (working remotely or from home once a month or more and had done so at least once in the month prior to the survey) decreased, the percentage of people who teleworked more often than once per month increased. In 2010,

84% of teleworkers did so one day per week or more, up from 72% in 2008. (See Figure 2.)

Telework is not an all-or-nothing proposition. The employer survey found that organizations offer various degrees of telework:

- Ad hoc or occasional telework (e.g., to meet a repairman)
- Telework once a month
- Telework once a week
- Full-time telework.

The prevalence of ad hoc telework as a matter of both policy (83% of employers offer ad hoc telework) and practice is a positive indication that employers are willing to grant this accommodation on an as-needed basis.

Finding 3: Today's Teleworkers Are Most Often 40-Year-Old Male College Graduates

The 2010 employee survey provides a demographic profile of those who telework. The data in Figure 3 illustrate that most teleworkers in 2010 were:

- Male
- Around 40 years old
- College graduates (almost half, including 25% with post-graduate degrees).

The findings suggest that most teleworkers are knowledge workers, contradicting the stereotype that teleworkers are mostly working mothers who need to

FIGURE 2: Frequency of Teleworking

	Percent by Frequency		Cumulative Percentage	
	2008 (n=130)	2010 (n=96)	2008 (n=130)	2010 (n=96)
Almost every day	40%	45%	40%	45%
At least one day per week	32%	39%	72%	84%
At least once per month	28%	16%	100%	100%

¹ Also see "Issues in Labor Statistics: Sizing up the 2007-2009 Recession: Comparing Two Key Labor Market Indicators with Earlier Downturns" for further discussion regarding comparisons to past recessions of the unemployment rate and employment population ratio whereby these measures had not yet turned around as they did in prior recessions as of data reflecting 34 months following the start of the most recent recession. Furthermore, as shown in Chart 2 of "Issues in Labor Statistics: Ranks of Those Unemployed for a Year or More Up Sharply," the current share of total unemployment represented by individuals who have been unemployed for one year or more represents a record high for this data series (measured to 1967).

² WorldatWork members who represent the universe of survey participants tend to come from larger companies. Almost two-thirds of members are employed by companies with total (global) employment of 2,500 or more, including one-quarter with more than 20,000 employees.

³ Occasional teleworking to accommodate an employee need (e.g., being at home to meet a repair person). At least some of this activity reflects less frequent than once per month, which is the cutoff for identifying teleworkers in this survey.

have autonomy to work when, how and where they work best in order to deal with family issues. In fact, flexibility offerings are used equally by both men and women, as reported by a majority (65%) of surveyed employers. The demographic profile also is consistent with employer survey data that show that the option to telework regularly on a monthly basis is offered more often to salaried employees (97%) than to hourly employees (11%). Nonexempt employees historically have been managed based on time accounting, and there are specific legal and regulatory requirements imbedded in that management system.

Finding 4: ‘Home’ Is Still the Most Common Location for Telework; ‘Satellite Center’ and ‘Hotel’ Are Gaining Ground

In the employee survey, respondents were offered a question that included a variety of location choices from which they might have conducted work in the prior month. (See Figure 4.)

Although “home” maintained its position at the top of the list of common locations for teleworking in 2010, it nonetheless experienced one of the biggest declines as a remote work location from 2008 to 2010. Meanwhile, “satellite center” and “hotel” trended upward from 2006 to 2008 to 2010, as did “while on vacation.”

The large increase in people working while on vacation draws attention to one of the pitfalls of telework: The general availability of wi-fi and wireless devices makes it harder for workers to unplug while on vacation. Numerous studies have shown that working on vacation lowers resiliency for the worker, thereby reducing the opportunity for rested employees to return to work more productive and engaged. (WorldatWork 2009 and 2006)

Finding 5: Being Allowed to Work Remotely Is Frequently Perceived to Be a ‘Reward’ by Both Employers and Employees

In a new question of the employee survey, respondents were asked, “In your organization, is being allowed to work remotely considered more of a right or a reward?” While almost half of employee respondents indicated “not applicable/no one is allowed to work from other location,” 28% viewed it as a “reward” or benefit. This is consistent with the current employer view of telework as an employee benefit.

Very few companies employ large numbers of remote full-time staff, although 37% offer the option to telework

full time to some of their workforce. The call center industry is one notable exception to this; several U.S.-based call centers employ thousands of home-based workers. Employers (36%) with an established culture of flexibility view telework as strategic and an essential element in achieving organization success.

Whether telework is viewed as a right or a reward, it needs to be designed, implemented and communicated properly in order to be successful. Telework can be a mutually beneficial program enhancing both the employees’ work and personal lives while reaping positive returns to the organization through lower absenteeism and turnover, and higher employee satisfaction and engagement. Employers have embraced the business case; three out of four respondents in the employer survey reported that flexibility programs have a positive to very positive impact on employee engagement, motivation and retention. Unfortunately, the employer survey also revealed that very few companies provide the necessary training to ensure success. Only 21% of employers train managers on how to implement and support flexible work arrangements, and only 17% train workers on how to be successful as an employee with a flexible work arrangement. (See Figures 5a and 5b.) Telework success depends on leaders who manage by objectives, not by observation, and this critical skill needs to be taught and learned.

FIGURE 3: Profile of a Teleworker, 2006, 2008 and 2010

	2006 (n=140)	2008 (n=130)	2010 (n=96)
Total teleworkers (United States)	28.7 million	33.7 million	26.2 million
Men	53%	61%	56%
Women	47%	39%	44%
Age			
18-34	38%	42%	42%
35-54	52%	48%	51%
55+	11%	8%	8%
Mean age	41.0	40.3	39.9
Median age	40.0	38.0	40.0
Educational Attainment			
High school or less	18%	23%	24%
Some college/vocational	25%	28%	32%
College graduate	57%	50%	44%
Post-graduate degree	22%	15%	25%

FIGURE 4: Locations Where Work Was Conducted in the Past Month

Location	2006 (n=140)	2008 (n=130)	2010 (n=96)
Home	76%	87%	63%
In the car	38%	37%	40%
While on vacation	18%	23%	37%
Hotel or motel	26%	26%	36%
Café or restaurant	31%	23%	34%
Customer/client's place of business	28%	41%	33%
Airport, train depot or subway platform	16%	23%	16%
Park or other outdoor location	19%	14%	14%
Library	16%	10%	13%
On airplane, train or subway	13%	21%	12%
Telework Center — office leased by employer		New in 2010	12%
Satellite center — an employer office that is located closer to an employee's home	3%	7%	11%

FIGURE 5a: Training for Employees

"Is training provided to employees about how to be successful as an employee with a flexible work arrangement?" (n = 455)

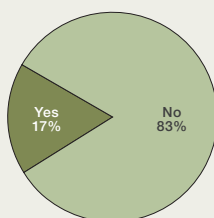
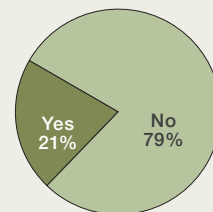


FIGURE 5b: Training for Managers

"Is training provided to managers about how to successfully manage employees with a flexible work arrangement?" (n = 455)



Methodology

Employer Data

WorldatWork collected workplace flexibility survey data from employers (members of WorldatWork) between Oct. 20 and Nov. 2, 2010. There are 537 responses in the final dataset. WorldatWork published a separate report covering 12 forms of flexibility titled “Survey on Workplace Flexibility 2011.” Survey respondents are WorldatWork members employed in the HR, compensation and benefits departments of mostly U.S. organizations; 69% from private sector and 31% from public sector and not-for-profit.

Employee Data

Between Dec. 9 and Dec. 30, 2010, a random-digit-dialed (RDD) telephone survey was conducted by The Dieringer Research Group Inc.⁴ with funding from WorldatWork. Telephone interviews were conducted among 1,002 U.S. adults ages 18 and older using computer-generated, random-digit telephone lists. The survey instrument was based on the same questions asked when the survey was fielded in 2006 and 2008 as part of the WorldatWork Telework Trendlines series. The data were weighted to match current population norms for U.S. adults using four weighting factors:

- Age
- Gender
- Educational attainment
- U.S. census region.

Data reported for all U.S. adults are considered reliable at the 95% confidence interval to within +/-3.1%. This sample size allows representative population projections for selected segments of both online and offline U.S. adults, 18 years and older. The “all teleworker” subsegment of the sample has a margin of error of +/-10%.

Customized analysis of employee survey data can be commissioned from The Dieringer Research Group Inc. For more information, call 888-432-5220.

Any data or tables taken from this white paper should be referenced as “Telework 2011: A WorldatWork Special Report.”

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⁴ The Dieringer Research Group Inc. has been involved in tracking telework since conducting the first nationally recognized survey of the trend in 1985. Since 2003, WorldatWork and The Dieringer Research Group Inc. have collaborated to collect and provide the latest data on teleworkers. As the topic of telework has evolved, so has the survey. For example, some refinements were made to the survey instrument in 2008 and again in 2010 to better capture the proliferation of smartphones and wireless access.

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